



NCUA Media Release

NCUA Ensures Credit Union Members Receive Services after Hurricane Irene

Deposits in Credit Unions Protected Up to \$250,000; Chairman Activates Disaster Relief Policy

ALEXANDRIA, Va. (Aug. 29, 2011) – To protect consumers, and ensure continuity of credit union services after Hurricane Irene, the National Credit Union Administration has taken certain precautions.

During disaster conditions, NCUA personnel operate under three priorities:

- Ensure the safety of credit union staff;
- Keep facilities and operations available to members; and
- Provide material and technical assistance, as needed, to affected credit unions.

NCUA recognizes that the hurricane may have affected the orderly conduct of lending relationships with both individuals and businesses. As a result, NCUA encourages credit unions to exercise prudent efforts to make credit available and to adjust or alter terms on existing loans for customers affected. Actions may include:

- Extending the terms of loan repayments;
- Restructuring a borrower's debt obligations; and
- Easing credit terms for new loans to certain borrowers, consistent with prudent practices.

Consumers are reminded that deposits at federally insured credit unions remain protected. Administered by NCUA, the National Credit Union Share Insurance Fund (NCUSIF) continues to insure individual accounts up to \$250,000. The NCUSIF operates like the FDIC's Deposit Insurance Fund for banks. Federal credit unions may also provide assistance to other credit unions, their members, and non-members in the affected areas, under certain conditions.

- Emergency financial services for non-members, including check cashing, access to ATM networks, or other services to meet short-term emergency needs of individuals in the areas affected by Hurricane Irene, can be provided under the authority to engage in charitable activities. Federal credit unions providing services on this charitable basis may not impose charges for services that exceed their direct costs.
- A federal credit union may provide services to other credit unions that it is authorized to perform for its own members or as part of its operations. This activity is part of a federal credit union's incidental powers, so it may impose charges for these services.

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Despite this natural disaster, NCUA still has access to funds in the NCUSIF, backed by the full faith and credit of the U.S. Government. Because of this, and under the agency's disaster policy, NCUA will, where necessary, guarantee lines of credit for credit unions through the National Credit Union Share Insurance Fund. It will also make loans to meet the liquidity needs of member credit unions through the Central Liquidity Facility.

NCUA examiners will survey all credit unions and reschedule routine examinations where necessary. The agency's examiners will also remain in close contact with credit unions to offer advice and assistance. It is important for credit unions to report their status to NCUA in times such as this.

Institutions in need of assistance in dealing with members affected by this disaster should contact their local supervisory office. Consumers needing assistance should call NCUA's consumer hotline at (800) 755-1030. The center answers calls Monday – Friday between 8 a.m. and 6 p.m. Eastern Standard Time.

NCUA is the independent federal agency created by the U.S. Congress to regulate, charter and supervise federal credit unions. With the backing of the full faith and credit of the U.S. Government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of more than 90 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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